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SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-74652; File No. SR-CFE-2015-003)

April 6, 2015

Self-Regulatory Organizations; CBOE Futures Exchange, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Proposed Rule Change Regarding Open Interest Reporting

Pursuant to Section 19(b)(7) of the Securities Exchange Act of 1934 (“Act”),¹ notice is hereby given that on March 23, 2015 CBOE Futures Exchange, LLC (“CFE” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change described in Items I, II, and III below, which Items have been prepared by CFE. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons. CFE also has filed this proposed rule change with the Commodity Futures Trading Commission (“CFTC”). CFE filed a written certification with the CFTC under Section 5c(c) of the Commodity Exchange Act (“CEA”)² on March 20, 2015.

I. Self-Regulatory Organization’s Description of the Proposed Rule Change

The Exchange proposes to amend its rules related to open interest reporting. The scope of this filing is limited solely to the application of the rule amendments to security futures traded on CFE. The only security futures currently traded on CFE are traded under Chapter 16 of CFE's Rulebook which is applicable to Individual Stock Based and Exchange-Traded Fund Based Volatility Index security futures. The text of the proposed rule change is attached as Exhibit 4 to the filing but is not attached to the publication of this notice.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the

¹ 15 U.S.C. 78s(b)(7).

² 7 U.S.C. 7a-2(c).

Proposed Rule Change

In its filing with the Commission, CFE included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. CFE has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of the proposed CFE rule amendments included as part of this rule change is to add CFE Rule 410A (Reporting Open Interest to the Clearing Corporation) to make clear that all CFE clearing members³ must report open interest information to The Options Clearing Corporation ("OCC") in conformance with OCC rules. The rule amendments included as part of this rule change are to apply to all products traded on CFE, including both non-security futures and security futures.

CFE has contracted with and uses OCC for clearing and settlement services for all transactions conducted on the Exchange. CFE clearing members are required by OCC Rule 401, Interpretation and Policy .01 to submit gross position adjustment information to OCC as necessary to identify the actual open interest in clearing member accounts at the end of each trading day based upon the day's trading activity and any applicable rules of an exchange. Clearing members are not required to provide this information for market maker accounts at

³ CFE Rule 121 defines "Clearing Member" to mean a member of OCC that is a CFE TPH and that is authorized under OCC Rules to clear trades in any or all contracts.

OCC or when a futures exchange like CFE identifies a transaction as opening or closing in matching trade information that the exchange provides to OCC.

The amendments make clear that CFE clearing members must report gross position adjustment information to OCC to the extent required by, and in accordance with, OCC rules by including this requirement in new CFE Rule 410A. The amendments also provide that gross position adjustment information is not required to be reported to OCC pursuant to Rule 410A for market maker accounts at OCC or for transactions with respect to which a CFE Trading Privilege Holder (“TPH”) has designated as part of the applicable order submission to CFE whether the transaction is opening or closing. These two exceptions exist because in each case OCC will already have this information and thus does not need to receive it from clearing members. Specifically, with respect to the second exception, when a TPH submits an order to CFE’s trading system, the TPH may choose to designate the transaction as opening or closing, though this field is not required. CFE provides such opening and closing designations by its TPHs to OCC, and OCC will then know that it does not need to receive this information regarding the order from the applicable clearing member.

By adding Rule 410A to the CFE Rulebook, the amendments make clear that a failure to report open interest information pursuant to OCC rules is an independent violation of CFE rules. These amendments are based upon a recommendation by the CFTC Division of Market Oversight in a recent rule enforcement review of the market surveillance program of ICE Futures U.S., Inc.⁴

2. Statutory Basis

⁴ See CFTC, Div. of Mkt. Oversight, Rule Enforcement Review of ICE Futures U.S.. at pp. 9, 32 (July 22, 2014), available at <http://www.cftc.gov/ucm/groups/public/@iodcms/documents/file/ericefutures072214.pdf>.

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,⁵ in general, and furthers the objectives of Sections 6(b)(5)⁶ and 6(b)(7)⁷ in particular in that it is designed:

- to prevent fraudulent and manipulative acts and practices,
- to promote just and equitable principles of trade,
- to foster cooperation and coordination with persons engaged in facilitating transactions in securities,
- to remove impediments to and perfect the mechanism of a free and open market and a national market system, and in general, to protect investors and the public interest, and
- to provide a fair procedure for the disciplining of members.

The Exchange believes that the proposed rule change will strengthen its ability to carry out its responsibilities as a self-regulatory organization by clarifying that CFE clearing members must report gross position adjustment information to OCC to the extent required by, and in accordance with, OCC rules by including this requirement in new CFE Rule 410A. The proposed rule change also provides that that gross position adjustment information is not required to be reported to OCC pursuant to Rule 410A for market maker accounts at OCC or for transactions with respect to which a TPH has designated as part of the applicable order submission to CFE whether the transaction is opening or closing. This change will strengthen CFE's regulatory and disciplinary program as well as serve as an effective deterrent to potential conduct that violates OCC's open interest reporting rule by making clear that a failure

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

⁷ 15 U.S.C. 78f(b)(7).

to report open interest information pursuant to OCC rules is an independent violation of CFE rules. CFE additionally believes that this change enables CFE to conform with recent guidance issued by the CFTC's Division of Market Oversight.

B. Self-Regulatory Organization's Statement on Burden on Competition

CFE does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act, in that the rule change will enhance CFE's ability to carry out its responsibilities as a self-regulatory organization. The Exchange believes that the proposed rule change is equitable and not unfairly discriminatory because the clarification of CFE clearing members' responsibility to report open interest to OCC in conformance with OCC rules would apply equally to all parties that are subject to the applicable requirements.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The proposed rule change will become effective on April 3, 2015.

At any time within 60 days of the date of effectiveness of the proposed rule change, the Commission, after consultation with the CFTC, may summarily abrogate the proposed rule change and require that the proposed rule change be refiled in accordance with the provisions of Section 19(b)(1) of the Act.⁸

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments

⁸ 15 U.S.C. 78s(b)(1).

may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-CFE-2015-003 on the subject line.

Paper comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-CFE-2015-003. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal offices of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer

to File Number SR-CFE-2015-003, and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹

Brent J. Fields

Secretary

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⁹ 17 CFR 200.30-3(a)(73).